

# THE DEPARTMENT OF STATE BULLETIN

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## National Defense

### ARMING OF AMERICAN-FLAG SHIPS ENGAGED IN FOREIGN COMMERCE

#### MESSAGE OF THE PRESIDENT TO THE CONGRESS

[Released to the press by the White House October 9]

The President sent the following message to Congress on October 9, 1941:

#### TO THE CONGRESS OF THE UNITED STATES:

It is obvious to all of us that world conditions have changed violently since the first American Neutrality Act of 1935. The Neutrality Act of 1939 was passed at a time when the true magnitude of the Nazi attempt to dominate the world was visualized by few persons. We heard it said, indeed, that this new European war was not a real war, and that the contending armies would remain behind their impregnable fortifications and never really fight. In this atmosphere the Neutrality Act seemed reasonable. But so did the Maginot Line.

Since then—in these past two tragic years—war has spread from continent to continent; very many nations have been conquered and enslaved; great cities have been laid in ruins; millions of human beings have been killed, soldiers and sailors and civilians alike. Never before has such widespread devastation been visited upon God's earth and God's children.

The pattern of the future—the future as Hitler seeks to shape it—is now as clear and as ominous as the headlines of today's newspapers.

Through these years of war, we Americans have never been neutral in thought. We have

never been indifferent to the fate of Hitler's victims. And, increasingly, we have become aware of the peril to ourselves, to our democratic traditions and institutions, to our country, and to our hemisphere.

We have known what victory for the aggressors would mean to us. Therefore, the American people, through the Congress, have taken important and costly steps to give great aid to those nations actively fighting against Nazi-Fascist domination.

We know that we could not defend ourselves in Long Island Sound or in San Francisco Bay. That would be too late. It is the American policy to defend ourselves wherever such defense becomes necessary under the complex conditions of modern warfare.

Therefore, it has become necessary that this Government should not be handicapped in carrying out the clearly announced policy of the Congress and of the people. We must face the truth that the Neutrality Act requires a complete reconsideration in the light of known facts.

The revisions which I suggest do not call for a declaration of war any more than the Lend-Lease Act called for a declaration of war. This is a matter of essential defense of American rights.

In the Neutrality Act are various crippling provisions. The repeal or modification of these provisions will not leave the United States any

less neutral than we are today, but will make it possible for us to defend the Americas far more successfully, and to give aid far more effectively against the tremendous forces now marching towards conquest of the world.

Under the Neutrality Act, we established certain areas as zones of combat into which no American-flag ships could proceed. Hitler proclaimed certain far larger areas as zones of combat into which any neutral ship, regardless of its flag or the nature of its cargo, could proceed only at its peril. We know now that Hitler recognizes no limitation on any zone of combat in any part of the seven seas. He has struck at our ships and at the lives of our sailors within the waters of the Western Hemisphere. Determined as he is to gain domination of the entire world, he considers the entire world his own battlefield.

Ships of the United States and of other American republics continue to be sunk, not only in the imaginary zone proclaimed by the Nazis in the North Atlantic, but also in the zoneless South Atlantic.

I recommend the repeal of section 6 of the act of November 4, 1939, which prohibits the arming of American-flag ships engaged in foreign commerce.

The practice of arming merchant ships for civilian defense is an old one. It has never been prohibited by international law. Until 1937 it had never been prohibited by any statute of the United States. Through our whole history American merchant vessels have been armed whenever it was considered necessary for their own defense.

It is an imperative need now to equip American merchant vessels with arms. We are faced not with the old type of pirates but with the modern pirates of the sea who travel beneath the surface or on the surface or in the air destroying defenseless ships without warning and without provision for the safety of the passengers and crews.

Our merchant vessels are sailing the seas on missions connected with the defense of the

United States. It is not just that the crews of these vessels should be denied the means of defending their lives and their ships.

Although the arming of merchant vessels does not guarantee their safety, it most certainly adds to their safety. In the event of an attack by a raider they have a chance to keep the enemy at a distance until help comes. In the case of an attack by air, they have at least a chance to shoot down the enemy or keep the enemy at such height that it cannot make a sure hit. If it is a submarine, the armed merchant ship compels the submarine to use a torpedo while submerged—and many torpedoes thus fired miss their mark. The submarine can no longer rise to the surface within a few hundred yards and sink the merchant ship by gunfire at its leisure.

Already we take many precautions against the danger of mines—and it seems somewhat incongruous that we have authority today to "degauss" our ships as a protection against mines, whereas we have no authority to arm them in protection against aircraft or raiders or submarines.

The arming of our ships is a matter of immediate necessity and extreme urgency. It is not more important than some other crippling provisions in the present act, but anxiety for the safety of our crews and of the almost priceless goods that are within the holds of our ships leads me to recommend that you, with all speed, strike the prohibition against arming our ships from the statute books.

There are other phases of the Neutrality Act to the correction of which I hope the Congress will give earnest and early attention. One of these provisions is of major importance. I believe that it is essential to the proper defense of our country that we cease giving the definite assistance which we are now giving to the aggressors. For, in effect, we are inviting their control of the seas by keeping our ships out of the ports of our own friends.

It is time for this country to stop playing into Hitler's hands, and to unshackle our own.



A vast number of ships are sliding into the water from American shipbuilding ways. We are lending them to the enemies of Hitlerism and they are carrying food and supplies and munitions to belligerent ports in order to withstand Hitler's juggernaut.

Most of the vital goods authorized by the Congress are being delivered. Yet many of them are being sunk; and as we approach full production requiring the use of more ships now being built it will be increasingly necessary to deliver American goods under the American flag.

We cannot, and should not, depend on the strained resources of the exiled nations of Norway and Holland to deliver our goods, nor should we be forced to masquerade American-owned ships behind the flags of our sister republics.

I earnestly trust that the Congress will carry out the true intent of the Lend-Lease Act by making it possible for the United States to help to deliver the articles to those who are in a position effectively to use them. In other words, I ask for congressional action to implement congressional policy. Let us be consistent.

I would not go back to the earlier days when private traders could gamble with American life and property in the hope of personal gain, and thereby embroil this country in some incident in which the American public had no direct interest. But today, under the controls exercised by the Government, no ship and no cargo can leave the United States, save on an errand which has first been approved by governmental authority. And the test of that approval is whether the exportation will promote the defense of the United States.

I cannot impress too strongly upon the Congress the seriousness of the military situation that confronts all of the nations that are combating Hitler.

We would be blind to the realities if we did not recognize that Hitler is now determined to

expend all the resources and all the mechanical force and manpower at his command to crush both Russia and Britain. He knows that he is racing against time. He has heard the rumblings of revolt among the enslaved peoples—including the Germans and Italians. He fears the mounting force of American aid. He knows that the days in which he may achieve total victory are numbered.

Therefore, it is our duty, as never before, to extend more and more assistance and ever more swiftly to Britain, to Russia, to all peoples and individuals fighting slavery. We must do this without fear or favor. The ultimate fate of the Western Hemisphere lies in the balance.

I say to you solemnly that if Hitler's present military plans are brought to successful fulfillment, we Americans shall be forced to fight in defense of our own homes and our own freedom in a war as costly and as devastating as that which now rages on the Russian front.

Hitler has offered a challenge which we as Americans cannot and will not tolerate.

We will not let Hitler prescribe the waters of the world on which our ships may travel. The American flag is not going to be driven from the seas either by his submarines, his airplanes, or his threats.

We cannot permit the affirmative defense of our rights to be annulled and diluted by sections of the Neutrality Act which have no realism in the light of unscrupulous ambition of madmen.

We Americans have determined our course.

We intend to maintain the security and the integrity and the honor of our country.

We intend to maintain the policy of protecting the freedom of the seas against domination by any foreign power which has become crazed with a desire to control the world. We shall do so with all our strength and all our heart and all our mind.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,  
October 9, 1941.

## MOUNTING NEED FOR DEFENSE

ADDRESS BY ASSISTANT SECRETARY OF STATE BERLE<sup>1</sup>

[Released to the press October 6]

**MR. PRESIDENT, DEAN DAVID, GENTLEMEN:**

As a former teacher of the Harvard Business School it is a joyous experience tonight to find that the men who were youths of promise 15 years ago are today shouldering with success the heavy responsibilities of the present time.

Fifteen years ago a lot of us were youngsters together—some as teachers, others as students—in the little house which was named in honor of that great veteran, Carter Glass. These youngsters—students and teachers alike—kept trying to think forward, to see beyond the era of crazy finance which began in 1922 and which smashed so disastrously in 1929. Some, with brave eyes, insisted that a thorough change in outlook was essential to American business, that America's economic life was not as well organized as it should be, and that stock-exchange quotations were no index of the economic welfare of the United States.

Also, at that time, there was a very small group of men in the Business School who turned their minds to a subject then very unpopular. This was the role of business in American defense. Certain of the group, fresh from studies in Europe, foresaw the coming of a world catastrophe. A professor at the Harvard Business School came back after surveying the plans made by a number of great American businesses to take part in defense work, as we looked at it through the eyes of 1927. The demonstration was intended to be impressive, but he was not impressed at all.

Partly as a result, the War Department in 1934, under the impetus of my friend Louis Johnson, then Assistant Secretary of War, went to work to explore anew the whole subject of business and defense. New weapons were

studied. Test orders for the products needed were placed so that plants could be prepared to manufacture the goods which would be needed. It takes more than a set of blue prints and speeches to do an effective production job; you have to have what the production men call the "know-how" as well. Largely due to that we were in shape to take up, a year and a half ago, the titanic job of equipping this country with modern arms for itself, and we had at least a running start on the work of doubling and redoubling that again as the country gradually became the world arsenal of democracy.

My task tonight is to tell you that the job of equipping this country and those other nations who, like ourselves, oppose the Hitler scheme of world-domination, is even greater than we have yet conceived.

The Hitler government from 1933 on set to work to create a military machine capable of defeating not only any nation in Europe but any possible combination of nations in the entire world.

Basic in their idea was the accumulation of a huge supply of munitions and a plant capable of turning out still more munitions, and to put that plant and that supply so far ahead of any other possible group that no nation or combination of nations could catch up. Hitler himself was quite frank about it a few days ago. "I know", he said, "that there is now no adversary who cannot be forced to yield by a valuable mass of munitions." To the German capacity in this regard he proposed to add all of the plants of Europe so far as he was able, to dominate them by force, or finance, or cajolery. The description he gave on October 3 of the Russian preparations, whose strength surprised him, might better have been applied to Germany itself: "It is a single armament factory against Europe at the expense of the standards of living of the people."

<sup>1</sup> Delivered to the Harvard Graduate School of Business Administration, at the Harvard Club, New York, N. Y., October 6, 1941.

On the business side, Hitler's plan had the merit of simplicity. He did not socialize the factories. Instead he socialized the management itself. You know how it was done. Some men were flattered, some bribed. Others were coerced or intimidated by the familiar use of the Gestapo. All businessmen were constantly spied upon.

Promises were made which were certainly alluring. It was pointed out that the German plants would make a sure profit, since the government would enforce supplies of materials and labor and would guarantee a fixed price showing a very respectable surplus. This sounded at first like a businessman's dream of paradise, a place where you knew you could get your labor and materials and where a profitable market was guaranteed for your goods. Only later did the deadly truth come out: your profit was no use to you when you had it; you could not spend it or work with it; you could not create anything; you could devote no part of it to the constructive work which is the real reward of a businessman's task.

Even worse, it presently developed that this was not merely a temporary effort to defend Germany but was to be a permanent pattern of life. Never was the businessman to get out of the vise in which he now was; never could he once more use his talent freely and without restriction. Ultimately he was forced to recognize that his real masters were the local Gestapo headquarters and Nazi politicians who, by the way, were acquiring corrupt fortunes on the way.

This quality of corruption is worth a word, because the Nazi propagandists habitually accuse the democratic countries of being venal. Every fragment of information which has reached me shows the growing stream of corruption which has entered into the Nazi-controlled life in Germany. The little politicians have minor licenses to loot—the loot of Jewish victims or other refugees. The great politicians have their cut in practically every business within the conquered area; these, as well as a part of these so-called guaranteed profits

of German businessmen, roll in to swell the huge fortunes of Nazi leaders. Nothing is too small to escape attention. Shops in conquered Paris have been asked to accept a German partner and later to hand over their names, their reputations, and their future into the hands of a military conqueror.

Eventually, of course, this crookedness will destroy the German machine and everything in it. But it behooves us to use every effort lest it destroy the world—and ourselves with it—before it finally crashes.

We in the United States have gone through a natural series of emotions. This country, being rational, has no yearning for war. It naturally watched with interest every operation which looked as though it might bring lasting peace. When in 1939 the last hope of peace vanished as the German leaders invaded Poland, it had indulged a sneaking hope that the course of war might let us out. Finally, the grim moment in June 1940, when it was realized that the defenses of Western Europe had finally ceased to exist, convinced this country that it was squarely on the firing line.

It will be recalled that Secretary Hull had repeatedly pointed out that the forces in motion must necessarily attack our own structure, that as far back as the Italian war against Ethiopia he had urged the country to take account of the ever-growing danger. But it was not until Dunkirk and the fall of Paris that the public fully realized the peril. Only then did we really begin to defend ourselves as we needed to be defended. Only then did we realize that in modern warfare of long-range aircraft, of far-reaching submarines, and of swift transports were the outer waters as important to us as our own coastlines. It was then that this country began to think for the first time as European nations have had to think for centuries—"of our own interests in other peoples' countries". At that time we realized that aid to Britain was not merely a charitable act to a friend but an active necessity if the Atlantic was not to swarm with foreign transports,



guarded by hostile warships and carrying aircraft which might at any time be turned against us.

At that time, too, the country learned the geographic implications of the Northern Atlantic Bridge, the relatively easy air-hop from German-conquered Norway to Iceland, from Iceland to Greenland, and from Greenland to Canada. Unless the outer gates were held, here was an easy route for a raiding expedition.

And we then began to realize also the existence of the Southern Atlantic Narrows, the short sea line from Dakar to the coast of Brazil. Then, also, the country began to take notice of other facts to which it had resolutely closed its eyes: the ceaseless German intrigues, plots, and preparations for the domination of so much of South America as it could get in its grip; and the incipient organizations of groups for sabotage and political subversion of the United States itself.

Taken alone, a group of Nazi conspirators in Argentina or Brazil or Colombia did not seem very formidable. Taken by themselves, a group of German-American Bundists and a nest of undercover spies were a little ridiculous to the United States. But if these groups were ever hitched up to effective German sea and air forces loose in the Atlantic and capable of shoving their way into the New World, the situation immediately changes. We could laugh at the German espionage when it compiled lists of Americans to be rewarded or punished by a German conqueror as long as the British line held and the British-American fleet maintained control of the Atlantic and the British Air Force controlled the German Luftwaffe. But if these defenses ever failed, then these lists might suddenly become serious.

At this point a main offensive, aimed at American business, was made by direct orders of the Nazi Government. The attack was double-headed. The air was filled with assurances that the Hitler government had not the remotest thought of touching the New World. (This was not, of course, what the Nazis were saying to their own comrades but they took pains to keep

the propaganda separate.) What they were saying in Europe was that they proposed to use the complete economic force of Europe to bring into subjection the South American countries. They would buy at their own prices and sell at their own prices, and then only to American governments which were sympathetic. But to the United States they said, "We have no designs on the New World." To us in the State Department every day brought fresh information of a new Nazi organization in South America aimed at this port or that air lane, and reports in which German agents in South American capitals claimed to be "gauleiters" as soon as Nazi domination was complete. Actually, in June 1940, a German attempt was made to seize military control of Uruguay. This was the so-called Fuhrmann Plan, and it was blocked only by the promptest action by the Government of Uruguay, with the wholehearted support of all the American republics. To us, therefore, these assurances that the New World was "safe" merely looked like familiar Hitler promises to his next victim. We were convinced that the promises were only designed to lull the victim to sleep until the snake was ready to strike.

At the same time, the other part of the Nazi program went forward. It was aimed even more directly at businessmen. Agents, plausible and often highly placed, appeared in New York, San Francisco, and other cities. They explained how easy it was to do business with Hitler. They extolled the glories of the German system of guaranteed profits. Steadily and insidiously they endeavored to work on the emotions and hopes of American business. Again, we in the State Department thought we recognized the process. There had been a man in Paris just before the war broke out whose job was the same. His name was Abetz, and his co-workers were the familiar agents who endeavored to persuade French businessmen that there was no real reason to get into a sweat about German plans of domination. They used a word we now know very well: the word "collaboration". The Nazi machine was to work quietly and comfortably with French business. A little later, when the



full force of the blow was felt by France, the "collaboration" idea was put into force. A brilliant Frenchman described it recently as "collaboration of the behind with the boot".

You may be interested in a Nazi decree which is law in Germany and which was issued in May 1940. It provides that anyone anywhere who interferes with German plans is guilty of a crime and can be punished whenever German power lays hold of him. I have the text of the decree. It means, quite literally, that if you or I, as Americans, in America, fail to act in the German interest we are considered guilty of a "crime" in Germany, and if any German power can ever lay hold of us, we shall go through the familiar Gestapo process which includes imprisonment, torture, or death. But that was not told in America, and the slow insidious process went on.

This "business offensive" of 1941 failed to reach its mark. There were, and still are, some who saw only the velvet glove and did not see the mailed fist inside it. But step by step American business has increasingly learned that the way to judge a foreign representative is not to listen to what he says but to watch what his masters are doing. I believe that we are fairly out of the danger that this kind of propaganda will seriously affect us. We cannot, it is true, make up for the fact that while this process was going on the German industrial espionage took careful notes of practically every American plant and of practically all significant American processes, and even used such business influence as it had through patents or finance to limit American production of certain important materials. But, save in a very few cases, American business has shaken off the attempt to fascinate us with fool's gold which was promised from trading with a conqueror-master.

Now, in 1941, a second attempt is being made. Not very long ago we had in the State Department the interesting experience of learning of some of the instructions sent out from Berlin to some of their foreign propaganda services. The information I believe to

be reliable. Instructions were given not to antagonize the American people but rather to try to undermine the faith of the American public in its government. Specifically, a howl was to be raised that President Roosevelt was attempting to become a dictator, that he would impose on America the kind of dictatorship that Hitler had imposed in Germany. Knowing the extreme unpopularity of Hitler's kind of government in America, someone had apparently the brilliant thought of setting the propaganda machinery to work at persuading gullible Americans that President Roosevelt was about to travel the same path. There was the usual suggestion that this dictatorship would be a dictatorship of Jews.

I think this probably is the greatest mistake the Nazi propagandists have made here. You readily see why. They are judging America by themselves. It is quite in line with the degenerate political thinking of the Nazis that every situation should be exploited for the political benefit of those who might wish to seize power.

Since this was the most familiar of Nazi tricks in Europe I myself was merely surprised that it had not been tried earlier. It is a matter of coincidence that somewhat later we were favored by two speeches from Mr. Lindbergh. One of them asserted that Mr. Roosevelt, assisted by a Jewish clique, was plunging us into war, although any sane person could see that the war was, in fact, plunging toward us. The second speech insinuated that the President would call off the congressional elections of 1942 and thereby make himself dictator. Naturally, no evidence was offered of this amazing yarn.

However sincere the motives of Mr. Lindbergh may have been, I think you will agree with me that he is following the exact line which has been laid down in Berlin for the use of Nazi propagandists in the United States. This illustrates the danger of betraying one of the most precious heritages of a free people — freedom of speech — by irresponsible statements.

So I think the second offensive against production has failed. The underlying faith of American business in its government remains unimpaired. This Government can, and does, make mistakes and plenty of them. But so long as American institutions remain, those mistakes will be rectified and gradual injustices cleared away.

We now face a crucial phase in the present struggle. The British resistance of 1940 gave us a full year to prepare. The conflict between Germany and Russia in 1941 has given us a second year. Just as we moved swiftly to replenish the resources of Britain, we must move with equal swiftness to replenish the resources of Russia. We need not be confused by the issue of Communism in the United States. We are quite capable of taking care of that ourselves. Today, whoever resists the movement toward world-conquest on land or sea or in the air is assisting American defense. We must not, and we will not, allow these defenses to fail.

Reduced to business terms, if our own defense effort is to be successful, we must now accept a major part in supplying all fronts where the forces of aggression are being courageously resisted. Much as we have done already, it is still not enough.

Nor can we be frightened or confused by the obvious fact that no human being in government, in business, or elsewhere, can foresee the final implications of this world struggle. We shall have problems to meet after this is over as we have had problems to meet before. The issue for us is that the solution of our problems shall lie in our own hands and not in the hands of some world-master. I think none of us here expect to reach the millenium in our lifetime. Perhaps it is as well that we do not.

What we can insure for ourselves and those who come after us is the freedom to meet the issues of their lives as we have had freedom to meet the problems of ours; to give to our generation and its successors a firm position from which they, in their turn, may work once more toward a world built on the conception of honor and morality and love.

## SINKING OF THE S.S. "I. C. WHITE" OFF THE COAST OF BRAZIL

[Released to the press October 7]

Mr. John Farr Simmons, Counselor of the Embassy at Rio de Janeiro, Brazil, informed the Department by telephone that he had interviewed survivors of the tanker *I. C. White*, which was torpedoed on September 27 off the north coast of Brazil, and had been informed as follows:

"The *Del Norte* docked with 17 survivors of the tanker *I. C. White*, including Captain Mello, Third Mate Holm, and Chief Engineer Christensen. A summary of their testimony follows:

"The *I. C. White* sailed from Curaçao September 14 for Capetown. While steering 127° true, speed 10.2, navigation lights burning, two spotlights on Panamanian flag at flagstaff, painting on sides not illuminated, moonlight night but partly cloudy, sea moderate to rough, position at 0210GCT (9:10 p.m., E.S.T., September 27), 10°26' S., 27°30'30" W., ship was struck by a torpedo, apparently from a submarine, without warning, on starboard side between nos. 7 and 8 tanks, the ship buckling at this point. The hull plating was opened on both sides; the walkway was carried away severing communication forward and aft; whole afterhouse set afire. Three of four boats and two of three rafts were launched. One raft launched was not used. Wooden boats aft burned. Rudder jammed and throttles stuck—full speed ahead. Ship circled, making embarkation difficult; one boat holed by striking ship's side. Two of missing men lowered boat and slid down falls, but as boat had drifted they fell into wake current and were not seen. The third lost man, Rankin, started forward with two others, turned back and was last seen on poop. His companions on raft which they launched forward think they heard his voice in water as they passed stern but could not see or reach him. Majority report seeing two low, white lights diagonally placed with a dark shape, impossible to identify, about one-half mile distant. This disappeared below after a short time.

"The boats remained near the ship, which sank at 0545GCT. At daylight boats assembled and picked up two men from rafts and abandoned stove-in boat, dividing survivors in two boats with 17 each, one with the captain and one with the chief mate; proceeded under sail and later outboard motor for Pernambuco. Both boats well stocked with provisions and water. The captain's boat outsailed the other and lost sight after the first day. The captain's boat sighted another steamship the night of the rescue but was too far away to be sighted. Picked up by

*Del Norte* at 2018GCT October 4 (3:18 p.m., E.S.T.), 10°16' S., 35°20' W. No serious injuries among survivors on *Del Norte*.

"The captain's deposition includes the following: 'My vessel was completely unarmed, having no guns or ammunition of any type on board'.

"The second rescue vessel, the *West Nilus*, with 17 survivors is due at Rio this afternoon.

"A further report will follow thereafter."

## Commercial Policy

### NATIONAL FOREIGN TRADE CONVENTION

#### MESSAGE OF THE PRESIDENT<sup>1</sup>

[Released to the press October 8]

In extending my cordial greetings to the Twenty-eighth National Foreign Trade Convention, I wish to take this opportunity to congratulate the National Foreign Trade Council on the splendid work it has done, during more than a quarter of a century, toward the promotion and improvement of the foreign commerce of the United States.

Today, as always, the movement of goods across the national frontiers is a vital phase of the task of enhancing the material well-being of individuals and nations everywhere. The very difficulties created by war conditions for an orderly functioning of the trade process furnish striking evidence of the significance of international commerce for the economic life of nations.

Our nation is now engaged upon a gigantic undertaking in the field of national defense. The rise in the world of ruthless forces of un-

bridled aggression and the menace which this movement of world conquest presents to the safety of our country and of our hemisphere, have rendered the performance of our present vast task a paramount duty for all of us—for those of us who are primarily engaged in economic activity at home and for those of us who labor in the field of foreign commerce. I am sure that in the deliberations of your convention you will explore, fully and earnestly, the ways in which you, as foreign traders, may best contribute to the success of our national-defense program.

But in your case, as in the case of all of us, thinking and effort cannot stop there. We must all be concerned, not alone with overcoming the dangers which confront us now, but also with making sure that, when those dangers are over, we shall all make our best contribution toward building a world in which they will not recur. In that connection, the character of international-trade relations which will become established in the post-war world will be of the utmost importance.

<sup>1</sup> Delivered on his behalf by the Honorable Sumner Welles, Under Secretary of State, at New York, N. Y., October 7, 1941.



We must make sure that no effort will be spared to place international commerce on a basis of fair dealing, equality of treatment, and mutual benefit. In no other way can it serve the function of promoting, rather than retarding, peaceful relations among nations and the economic well-being of all.

For the past eight years this country sought vigorously to promote this type of international commercial relations. We are determined to continue and increase our efforts in that direction. In this respect, too, I am certain that your deliberations can usefully contribute toward finding the ways of attaining this all-important objective.

#### ADDRESS BY THE UNDER SECRETARY OF STATE<sup>1</sup>

[Released to the press October 8]

I deeply appreciate the opportunity tonight of being the guest of the National Foreign Trade Council, and of being permitted in this personal way to express my ever-increasing recognition of the public-spirited and invaluable service which has been rendered the people of the United States by the Council during these past years. I know of no comparable organization which has made a more outstanding contribution. It has throughout its existence, as was right and fitting, jealously maintained its character of complete independence as a private body, but it has, nevertheless, never failed to cooperate along helpful and complementary lines with the Government in those fields of endeavor in which the Council was primarily interested.

I think I can say with full assurance that, in the increasing gravity of the situation in which our country finds itself, the Government will have to depend ever more fully upon the constructive assistance which the Council can so ably render.

Those in attendance at this Twenty-eighth National Foreign Trade Convention are directly interested in foreign trade. But every citizen of the United States, while perhaps individually only indirectly concerned, is nevertheless vitally affected by our foreign

commerce. The prosperity of our country, the level of employment, the best interests of labor and of the consumer, and the living standards of our people depend to a very great extent upon the condition of our foreign trade.

We are all of us concerned even more deeply because the creation of conditions favorable to peaceful and profitable trade between nations is one of the cornerstones of the enduring peace which we so earnestly hope may be constructed in the place of the social wreckage and economic ruin which will inevitably result from the present war.

A very brilliant English statesman who died prematurely a few years ago once said, "It is to be specially noticed that there have nevertheless almost always existed men who sincerely, but very foolishly believed, firstly, that no war would arise in their own day, and, secondly (when that war did arise), that for some reason or other it would be the last. At this point the idealist degenerates into the pacifist; and it is at this point consequently that he becomes a danger to the community of which he is a citizen."

I cannot resign myself to that admission of human incapacity—I cannot concede the inability of man to shape his destiny, under divine guidance, into something better than the kind of world in which we now live—I cannot believe that a world society of order, of security, and of peace, may not be realized, provided those responsible for its planning are willing to make the sacrifices required and are able to construct

<sup>1</sup> Delivered by Mr. Welles at the world-trade dinner of the Twenty-eighth National Foreign Trade Convention, New York, N. Y., October 7, 1941.



its foundations upon the rock of right, of justice, and of scientific truth, rather than upon the sands of selfishness, of compromise, and of expediency.

It is not idealism that is the danger to the community. Grave danger does lie in the all-too-frequent unwillingness of the idealist to grasp the hard facts of national and international experience; but it lies equally in my judgment in the defeatist philosophy of the cynic who, because of the failures of the past, cannot envision the successes of the future.

It will help us to keep our perspective if, from the vantage point of the present, we frequently look back over the list of errors of omission and of commission of the past.

Let me make a few brief statements with regard to recent history, which, I hope you will feel, as I do, should be regarded as axiomatic.

Trade—the exchange of goods—is inherently a matter of cooperation, but a glance at the past is enough to show that in the policies of nations this simple truism has been more often ignored than observed. Nations have more often than not undertaken economic discriminations and raised up trade barriers with complete disregard for the damaging effects on the trade and livelihood of other peoples, and, ironically enough, with similar disregard for the harmful resultant effects upon their own export trade. They have considered foreign trade a cut-throat game in which each participant could only profit by taking undue advantage of his neighbor. Our own policy at times in the past has, as we all know, constituted no exception.

After the last war, at a time when other countries were looking to us for help in their stupendous task of economic and social reconstruction, the United States, suddenly become the world's greatest creditor nation and incomparably strong economically, struck heavy blows at their war-weakened, debt-burdened, economic structures. The shock was heavy, morally as well as economically. The harmful effects of this policy on the trade, industry, and conditions of living of people of many other foreign countries were immediate. Our high-tariff

policy reached out to virtually every corner of the earth and brought poverty and despair to innumerable communities.

But the effects on American importers, and on American industries dependent upon imports, were likewise immediate.

Unfortunately, the inevitable effects on our export trade were obscured and put off for a number of years by lavish foreign lending, both public and private. The most important normal source of foreign purchasing power for American exports—other countries' exports to us—was being dried up, but what was really happening, as we all know, was that countless American investors were in effect paying American exporters for billions of dollars' worth of goods sent abroad. If the deficiency in normal foreign purchasing power derived from sales in this country had not been covered up by such vast sums advanced by American investors, we might have realized much earlier that our tariff policy was striking at the very roots of our entire export trade. We might have avoided the colossal blunder of 1930 and the less serious, but equally misguided action, of further tariff increases under the guise of the so-called excise taxes in 1932. Many foreign countries, which had not recovered from the shock of our tariff increases in 1921 and 1922 and were tottering on the brink of economic and financial collapse, were literally pushed into the abyss by our tariff action of 1930. Throughout the world this withering blast of trade destruction brought disaster and despair to countless people.

The resultant misery, bewilderment, and resentment, together with other equally pernicious contributing causes, paved the way for the rise of those very dictatorships which have plunged almost the entire world into war.

When human beings see ahead of them nothing but a continuation of the distress of the present, they are not apt to analyze dispassionately the worth of the glittering assurance of better times held out to them by a self-styled leader whom they would under more normal circumstances recognize as the shoddy adventurer which in reality he proves to be.

We thus helped to set in motion a whirlpool of trade-restricting measures and devices, preferences, and discriminations, which quickly sucked world trade down to such low levels that standards of living everywhere were dangerously reduced. Faced with the disappearance of markets in the United States for so many of their exportable products, foreign countries were forced to cut their economic cloth accordingly. They erected high tariffs and established restrictive quotas designed to keep their imports of American products within the limits of their reduced dollar purchasing power. They sought desperately for other markets and other sources of supply. In the process they entered into all sorts of preferential arrangements, resorted to primitive barter, and adopted narrowly bilateralistic trade-and-payments arrangements.

Obviously the totalitarian governments then being set up seized avidly on the opportunity so afforded to undertake political pressures through the exercise of this form of commercial policy.

They substituted coercion for negotiation—"persuaded", with a blackjack. The countries thus victimized were forced to spend the proceeds of their exports in the countries where such proceeds were blocked, no matter how inferior the quality, how high the price, or even what the nature might be of the goods which they were thus forced to obtain. They were prevented by such arrangements from entering into beneficial trade agreements with countries unwilling to sanction discriminations against their exports. By no means the least of the victims were the exporters of third countries, including the United States, who were either shut out of foreign markets entirely or else only permitted to participate on unequal terms.

This time our own export trade, unsupported by foreign lending on the part of American investors and unprotected against countless new trade barriers and discriminations, was immediately disastrously affected. Belatedly we recognized our mistake. We realized that

something had to be done to save our export trade from complete destruction.

The enactment in 1934 of the Trade Agreements Act represented a new deal for our foreign trade; a reorientation of government policy on the basis of simple, obvious facts, one of the most simple and obvious being that a nation cannot continue to sell if it does not buy. I do not need to dwell on this phase. You who are meeting here have recognized in repeated resolutions of endorsement the merits of that policy and the simple truths upon which it is founded.

To that policy history will always attach the honored name of Cordell Hull. But time is required for such a reversal of policy to have its full effects, and in the meantime another shattering world war has again laid the whole international economic structure in ruins, and has enormously increased the task of reconstruction.

So much for the past.

For the people of this country the supreme objective of the present before which every other consideration must now give place is the final and complete defeat of Hitlerism.

We have been forced in self-defense to assure ourselves that the ever-growing menace to our free institutions and to our national safety cannot and shall not prevail.

For that reason the trade problems of the immediate moment have largely become problems arising out of our national emergency. As such their solution is imperative. You who are living daily with these problems before you are the last people who need to be told in any detail what they are. The function of foreign trade under present conditions is largely one of supplying the defenders of human liberty with the means of their defense, and of obtaining, despite the shortage of shipping, the materials needed in carrying out our own defense program and in supplying the needs of our consumers.

There is likewise the acute problem of the essential import needs of our sister republics

of this hemisphere which are largely cut off from European sources of supply. Far too little emphasis, I regret to say, has as yet been placed upon the vital obligation of this country to cooperate to a far greater practical extent than has as yet been the case in assisting to the fullest degree possible our neighbors of the Western Hemisphere in the maintenance of their own national economies in the ever-increasing dislocation to which they are subjected.

There is also need for additional trade agreements which will help during the emergency and which will assist in establishing a sound foundation for international trade after the war. Your Government intends to go forward with this program.

But the future no less than the present presses itself upon our attention. It seems to me that there is nothing more urgently demanded than that the people of the United States, the governments of the Western Hemisphere, and the governments of all of the nations which have been assailed or menaced by the Axis Powers should daily be considering and determining upon the policies and practices whose future enforcement could render the greatest measure of assurance that the tragedy which we now see being unfolded should not once more be brought to pass.

I can conceive of no greater misfortune than that the people of the United States and their Government should refrain from devoting themselves to the study of reconstruction until the end of the war; than that they should permit themselves to adopt the passive policy of "wait and see".

The period following the present war will be fully as critical for us as is the present crisis. Forces of aggression now menace us from without. But dangers of another nature here and elsewhere will threaten us even after the war has ended in the victory of Great Britain and her allies over the powers that are seeking to place the whole of the world under their own ignominious form of tyranny.

There exists the danger, despite the clear lessons of the past, that the nations of the world will once more be tempted to resort to the same misguided policies which have had such disastrous consequences. And in the economic field especially there is danger that special interests and pressure groups in this country and elsewhere will once again selfishly and blindly seek preferences for themselves and discriminations against others.

The creation of an economic order in the post-war world which will give free play to individual enterprise, and at the same time render security to men and women, and provide for the progressive improvement of living standards, is almost as essential to the preservation of free institutions as is the actual winning of this war. And the preservation of our liberties—all-important in itself—is essential to the realization of the other great objective of mankind—an enduring peace. There can be no peace in a Hitler-ridden world.

In brief, in my judgment, the creation of that kind of sound economic order which I have described is essential to the attainment of those three great demands of men and women everywhere—freedom, security and peace.

The stakes are therefore tremendous in the task to which we must earnestly set ourselves. All of the talent of such organizations as this great organization of yours, of research institutions, and of the agencies of government, must be brought to bear upon the solution of the post-war economic problems.

These problems are of two kinds: those which will present themselves as the immediate aftermath of the war and those involved in the creation of a more permanent economic order.

In the immediate post-war period the task will primarily be one of reconstruction. Food and material of all kinds will be sorely needed. Both humanitarian considerations and self-interest require that we cooperate to these ends to the fullest extent of our ability. So long as any important part of the world is economically sick, we cannot be well.



Plans for meeting these requirements are already being considered. In planning commodity agreements for stabilizing prices of basic commodities, such as the wheat agreement now under consideration by several of the producing countries directly concerned, these unusual post-war needs must be kept in mind in order that adequate supplies may be available to meet them.

Both from the standpoint of immediate post-war needs and in the longer-range aspect, we must give serious attention to the problems of nutrition. Here again humanitarian considerations and self-interest combine to make this subject one of outstanding importance to our people. If the dietary needs of the world's population could be satisfied to the extent necessary to meet minimum standards for sustaining health, the burdensome surpluses which normally trouble producers of many staple products would disappear. I am glad to be able to assure you that this subject is being given preferential attention by agencies of this and other governments.

These are some of the problems with which we shall be faced immediately after the war. But the basic problem in establishing a new and better world order is to obtain the application by the nations of the world of sound principles of commercial and economic policy.

The basic principles which, in my judgment, should guide the policies of nations in the post-war world have recently been enunciated in the eight-point joint declaration of the President and Mr. Churchill<sup>1</sup> at the historic meeting of the Atlantic.

This set of basic principles, appropriately called "The Atlantic Charter", deals with commercial policy in its fourth point which reads, "They will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."

<sup>1</sup> *Bulletin* of August 16, 1941, p. 125.

This categorical statement of the essentials of post-war commercial policy requires no interpretation. I should, however, like to emphasize its meaning and significance.

The basic conception is that your Government is determined to move towards the creation of conditions under which restrictive and unconscionable tariffs, preferences, and discriminations are things of the past; under which no nation should seek to benefit itself at the expense of another; and under which destructive trade warfare shall be replaced by cooperation for the welfare of all nations.

The Atlantic Declaration means that every nation has a right to expect that its legitimate trade will not be diverted and throttled by towering tariffs, preferences, discriminations, or narrow bilateral practices. Most fortunately we have already done much to put our own commercial policy in order. So long as we adhere and persistently implement the principles and policies which made possible the enactment of the Trade Agreements Act, the United States will not furnish, as it did after the last war, an excuse for trade-destroying and trade-diverting practices.

The purpose so simply set forth in the Atlantic Declaration is to promote the economic prosperity of all nations "great or small, victor or vanquished". Given this purpose and the determination to act in accordance with it, the means of attaining this objective will always be found. It is a purpose which does not have its origin primarily in altruistic conceptions. It is inspired by the realization, so painfully forced on us by the experiences of the past and of the present, that in the long run no nation can prosper by itself or at the expense of others and that no nation can live unto itself alone.

No nation's peace can be assured in the disordered world in which we have lived since 1914.

It is the task and responsibility of every one of us, and like-minded people everywhere, to see that our objective is attained.

We cannot afford to repeat the tragic mistakes of the past.



## ADDRESS BY RAYMOND H. GEIST\*

## ASSISTANCE OF THE DEPARTMENT OF STATE IN FOREIGN TRADE

[Released to the press October 8]

## MR. CHAIRMAN:

In connection with the discussion on governmental operations affecting foreign trade, which is the subject proposed for this meeting, I wish to recall that the State Department of the United States Government has a very long history in this field. Ever since the day when consuls were first appointed by President Washington under constitutional authority the Department of State has been directly and unceasingly active in promoting and protecting our foreign commerce. In 1790 President Washington appointed 6 American Consuls and 10 Vice Consuls to be stationed at 16 of the world's largest seaports. The first act of fundamental importance in connection with the history of our foreign trade was the organization of the Consular Service by an act of Congress on April 14, 1792.

Foreign trade from the beginning of our history has formed an integral part of our foreign relations. Consequently, the scope of experience and understanding of the problems involved in international commerce has been concentrated in the Department of State for over one hundred and fifty years. It is, therefore, reasonable to assume that with this wealth of experience and direct contact with the subject itself the State Department is in a special position today to discharge its obligations toward the commercial and industrial interests of this country which are concerned about the preservation of foreign markets for surplus products and for sources of raw materials. The role of the State Department in promoting and preserving our share in international

commerce is closely bound up with the general problem of conducting our foreign relations, which during the last decade, on account of the destructive forces abroad, have become exceedingly complicated and difficult.

It has only been in great emergencies such as the present one that the Government of this country has been forced to intervene in the operations and the business of international commerce. All of us recognize the advantage of giving merchants full scope and liberty in conducting their affairs, so that the channels of commerce remain free and unhampered everywhere, and the exchange of goods throughout the world is accomplished under conditions conducive to all peoples and to all nations. The American Government has steadily subscribed to this principle.

In the past many countries have interfered with international commerce on a protectionist basis on the theory that established industries and higher standards of living must be shielded against competition from other industrial areas of the world, where wages were lower and the standard of living unequal. Though the protectionist policy pursued by such countries in the past has, to a certain extent, affected foreign relations and determined the character and volume of the exchange of goods with other nations, these restrictive measures were not sufficiently hampering and destructive in themselves to bring about the chaotic situation in international trade which merchants all over the world are now facing. Nations which have raised barriers against the importation of certain classes of goods at the same time have admitted others; in this way there have come about in the past partial adjustments between the importing and exporting nations of the world.

In the United States, before the advent of the trade-agreements program, the policies guiding our international trade have not been directed

\*Delivered before the Twenty-eighth National Foreign Trade Convention, New York, N. Y., October 8, 1941. Mr. Geist is Chief of the Division of Commercial Affairs, Department of State.

toward making real friends among other nations. Our attitude toward the outside world, while from the beginning correct and fully in accordance with the principles of international law, has previously over a long period been based almost wholly on domestic considerations. Through the long development of our history when we were rearing the foundations of our industrial and economic greatness the American business world has remained the bulwark of this attitude. It was probably due to the favored position we held in the world during a century and a half of growth and economic expansion. So vast has been this process in the United States, during the period of our national growth, that in all other spheres of development we have hardly kept pace. It is not likely that a nation which has accomplished so much industrially and economically in the past will be retarded in the present or future. The achievements of a hundred and fifty years provide the assurance of further progress. It is necessary at this particular moment in our history to take stock of our situation and not lose the vision which our ancestors had when they struggled to rear this great Nation in the face of odds and difficulties probably commensurately greater than ours.

We may well take this view regarding the future of our foreign trade. Imports and exports have been crossing our frontiers since the earliest days of the Republic. Our commerce has extended to all parts of the earth. When the world has again settled down and nations, tired out and wearied with the horrors and futility of war, decide to live in peace and concord with their neighbors, the streams of commerce will flow in greater volume and extent than ever. Certain transformations will necessarily arise in the adjusting process. It is inevitable that in an economic sense we shall draw much closer to the world's family of nations, and in no way will this be more apparent and real than in the pursuit of our foreign trade. We shall undoubtedly be called upon to furnish goods and raw materials to many countries; but in doing so we shall be compelled to take into account reciprocal arrangements which assure common

advantage to all. In other words, our foreign relations based on friendship and the policy of the good neighbor will foster enlightened trade practices beneficial to all.

The error of the opposite course is abundantly clear to anyone who has followed the economic history of the totalitarian states during the last decade. Relations with other nations have been altered, even destroyed, to suit the exigencies of extreme economic self-sufficiency, a program inaugurated for purposes of conquest which eventually led to war. The businessmen of the world have seen these arbitrary and destructive measures at work; and there is no doubt in the minds of those who are vitally interested in foreign trade that such methods must be banished completely from the whole international field. This is one of the principal objects in the struggle against aggression to which this country is now lending its gigantic support.

No department of the Government has been more closely associated with the developments which have come about on the international stage than the Department of State. Through the Foreign Service it has been in a position to observe closely the conduct of other nations, the policies which their governments have followed, and the effects of these policies upon our own interests. Probably no agency of the Government has a more complicated and intricate task to perform than the State Department in assisting the President in the conduct of our foreign relations. However, in a republic such as ours the destiny of our nation is determined by the people, and in the long run, the ultimate course pursued is in accordance with the common wish. Though the Department of State is the sole agency of the Government through which dealings and negotiations with foreign governments are conducted, it does not alone formulate the policy which the nation follows in its foreign affairs. Often sections of the country, such as the great agricultural interests, or regional manufacturing interests, have a share in determining our trade relations with other states. Chambers of commerce, national conferences, such as this, and trade associations

have a voice in the Nation's deliberations. Besides, other departments of the Government and, finally, the Congress of the United States have an important part in directing the course of our international affairs.

It has been the good fortune of this country in the last decade to have the leadership of the Secretary of State in adjusting our trade relations on a reciprocal and mutually advantageous basis with a large number of nations. This program was initiated at a time when not only this country, but most of the civilized world, was suffering from a severe and unprecedented economic crisis. The impetus which Secretary Hull's trade-agreements program has given to international commerce, and the sound principles which it carried into the realm of world economy have not only mitigated the impact of the war upon trade in general but have indicated the type of liberal thinking which must characterize any successful adjustment of world-economic relations in the future. No task in the history of our international commercial relations has been more beneficial, not only to our country but to the nations associated with us in this program. In carrying out these agreements the Department of State has indicated to the business world the application of sound and just principles in conducting foreign relations. On account of the serious international situation which has transformed this country into a productive arsenal, we are face to face with issues which demand the entire cooperation of the Nation. At no time has leadership in the conduct of foreign affairs been more vital than now. It is essential that we preserve that justice and fairness in our dealings with other states for which this country has stood since the beginning of its history. We must keep in mind the dangers threatening friendly nations and the privations others are enduring on behalf of the common defensive policy. In no way can we cooperate more fully than by making the most effective and wise adjustments in the sphere of foreign trade. A highly successful program can only be carried out if the business interests lend their full support to the

system devised and the controls exercised for the common good.

Inasmuch as the major effort of the Nation is directed toward expediting vast shipments of armaments and other needed materials overseas, the normal channels of commerce are almost completely filled by emergency shipments. Export-and-import trade has become subject to controls on a scale unprecedented on account of the volumes involved. Our normal world trade which a short while ago was moving freely in most every part of the globe has, in a comparatively short space of time, been entirely stopped in certain areas or has been transformed into emergency defense shipments. The impact of this shift upon the established commercial interests of this country engaged in international commerce needs no comment. The effective cooperation which these enterprises have given in the general cause of national defense constitutes a brilliant chapter in the history of our foreign trade. The sacrifices which these adjustments involved have been on a vast scale unprecedented in our commercial history.

At the same time it must be the common object not only of the Government, which is carrying out the general defense scheme, but of the commercial interests of the country to preserve intact as completely as possible the regular export-and-import trade, which is an integral part of the industrial life of this Nation. It would appear paramount in facing this problem to make the adjustment in a way which would safeguard trade connections and markets, though the movement of goods is on a reduced scale as compared with normal times. We have to regard in this connection the welfare of the nations which have been our best customers and from whom over a long period of years we have obtained supplies and goods necessary to our economy. There is danger that, on account of the general curtailment of production except for defense needs in various lines, manufacturers, who in the past have done an appreciable volume of export business, will consider that for the time being business



can be well confined to the domestic field and the export market cut off. This practice would not be in accord with the realities of the international situation. This country is not only the arsenal of the democracies resisting aggression, but the sole source of goods which certain friendly nations require and in some cases the only market for their raw materials and products.

The Government is aware of this situation and understands that overseas areas dependent upon this country for essential commodities, foodstuffs, or manufactured materials must receive adequate consideration. To this end the Foreign Service of the Department of State is being expanded in certain countries, particularly in the other American republics, to report on these factors so that the Government will be in a position to facilitate the flow of goods where these are essential.

It is a well-known fact that virtually every manufacturer can find a ready market for his products in the United States. In contemplating the maintenance of his export business he envisages the difficulties and formalities involved in obtaining export licenses, securing priorities on materials, receiving payments from abroad in dollars, and, finally, obtaining shipping accommodations. But considering the millions that American industry has invested in developing export trade during the last 20 years, it is clear that sacrificing our overseas markets and abandoning our position built up with so much labor and expense for the domestic markets at this time would be extremely short-sighted and unrealistic. It is essential that both business and government cooperate to see that our overseas trade is adequately maintained. Since priorities for all military and defensive needs are paramount, the export trade can only benefit at the expense of the American consuming public, which should be willing to do with less goods that our neighbors might have their minimum needs supplied.

In the administration of the Foreign Service the Department has recognized the necessity of

keeping our office adequately staffed to meet the increased demands arising out of the present international situation. In the countries of South and Central America, United States business firms, in line with the general policy of placing the representation of American houses in reliable hands, have discontinued their dealings with a large number of pro-Axis factors and have called upon the Foreign Service and the Bureau of Foreign and Domestic Commerce to assist in providing new commercial contacts. This program has been further activated by the publication of the *Proclaimed List of Certain Blocked Nationals*, the significance of which in the general plan of hemispheric defense may be appraised in the light of the basic objective of the President's proclamation. This objective is to eliminate or greatly restrict all phases of influence and activity of individuals or firms who are known to be inimical to the United States and to the purposes of hemispheric defense. The immediate objective of the steps which this Government has taken with respect to firms and individuals on the *Proclaimed List* is to prevent such factors from deriving any benefit from commercial relations of any nature with the United States or with persons subject to its jurisdiction.

The more extensive activity of the Government in dealing with problems arising out of the present international situation has called for an increased number of Foreign Service officers and assistants in the other American republics. Not only in this part of the world, but throughout the areas where our commercial and diplomatic activities continue, the Foreign Service has had to cope with new problems and render increased service on behalf of a number of governmental departments and agencies; so that in general the responsibilities and tasks crowding in on our missions and consular offices have actually resulted in a shortage of personnel, which has not been relieved by transfers from Axis areas. During the period from September 3, 1939 to the end of July 1941, 35



consular establishments were opened in all parts of the world and one legation, that at Canberra, Australia. During the same period 11 consular establishments were closed in countries not under Axis domination. In Axis countries in Europe the United States Government has closed 44 consulates, 9 legations and 1 embassy. The net results during the period under reference are that we have decreased the number of consular establishments in the Foreign Service by 30, the number of legations by 8, and embassies by 1. There has been a necessary change in the character of commercial and economic reporting from the field. Methods have been speedily revised to meet the stress of the present emergency; and in general, matters of immediate importance have been crowded to the fore. However, the facilities which have always been available to American firms engaged in export-and-import trade are being maintained at a high level of efficiency; so that the services which our missions and consulates have been performing for American interests shall suffer no impairment during this critical period. The Government recognizes the necessity, as pointed out by the United States Chamber of Commerce in its recent review of problems confronting foreign trade, of keeping our overseas posts manned with the ablest personnel, especially with men experienced in international trade.

The officers in the Foreign Service from the ambassadors and ministers down through the senior ranks are distinguished for their specialized skill and long experience. They constitute a group of experts schooled in the numerous problems of international relations, and among these not the least, that of foreign trade. Besides, the Foreign Service has been strengthened on the professional side by the inclusion two years ago of the commercial and agricultural attachés, whose services on behalf of the Government and business interests of the United States have continued to be outstanding in value and importance. The timeliness and wisdom of the President's reorganization plan, whereby the Foreign Services of the Departments of Commerce and Agriculture have been taken over

by the Department of State, have been demonstrated in the present emergency, when duplication of effort and division of authority would have hampered and slowed down the urgent tasks which are now being carried out in our missions and consular establishments. The commercial and agricultural attachés as officers of the Department of State are performing valuable service and engaging, as the occasion requires, in important negotiations in keeping with their full diplomatic status. Above all, they are primarily charged, as they have always been, with questions affecting our international trade. They continue directly to be at the service of the American businessman who is endeavoring to develop new markets for American products or seeking imports from abroad. The actual demands of American business firms upon the services rendered by our missions and consulates may be curtailed or changed on account of the unusual conditions under which foreign trade is now carried on, but this assurance can be given: Our offices are fully prepared to discharge their responsibilities.

This is preeminently a time of leadership by the Government. The people of this country have a right to expect, in this great historic crisis, when the very destiny of our Nation is at stake, that leadership by those in authority will be unerring and accurate. It is likewise in the realm of foreign trade that we desire ultimately to reach stability and assure the triumph of practices and principles which will bring about common prosperity throughout the world. Though the struggle to reach that goal will be severe, there can be no doubt or hesitation about our attaining it. We stand upon the threshold of an era when the foreign trade of this country will be indissolubly linked to the trade and commerce of other nations to a wider and more universal extent than in the past. The veritable trade-prosperity sphere which the whole world longs for will be established on the liberal and enlightened principles of justice, which by our might, our resolution, and steadfastness of purpose will have its true beginning here in the West.

## Europe

### ASSISTANCE TO THE SOVIET UNION

LETTER FROM THE PRESIDENT OF THE UNITED STATES TO THE PRESIDENT OF THE SOVIET OF PEOPLE'S COMMISSARS OF THE U.S.S.R.

[Released to the press by the White House October 8]

Careful comparison of the language of the German announcement made in Berlin on October 8, 1941, by DNB, official German news agency,<sup>1</sup> and that actually contained in the President's letter of introduction of Mr. Harriman to Mr. Stalin, is invited. When such a comparison is made, the propaganda objectives of the Nazi action become very clear.

The President's letter reads as follows:

"MY DEAR MR. STALIN:

"This note will be presented to you by my friend Averell Harriman, whom I have asked to be head of our delegation to Moscow.

"Mr. Harriman is well aware of the strategic importance of your front and will, I know, do everything that he can to bring the negotiations in Moscow to a successful conclusion.

"Harry Hopkins has told me in great detail of his encouraging and satisfactory visits with you. I can't tell you how thrilled all of us are because of the gallant defense of the Soviet armies.

"I am confident that ways will be found to provide the material and supplies necessary to fight Hitler on all fronts, including your own.

"I want particularly to take this occasion to express my great confidence that your armies will ultimately prevail over Hitler and to assure you of our great determination to be of every possible material assistance.

"Yours very sincerely,

FRANKLIN D. ROOSEVELT"

<sup>1</sup> Text of German announcement printed in American newspapers.

## The Far East

### REPATRIATION OF AMERICANS IN JAPAN

[Released to the press October 11]

The Japanese Embassy has informed the Department of State that the Japanese Government plans to send three Japanese ships, requisitioned by the Japanese Ministry of Communications, to visit the United States for the purpose of bringing passengers, including Americans, from Japan to the United States and of repatriating Japanese now in the United States who wish to return to Japan. It is understood that these ships will carry no commercial cargo.

The Japanese Embassy has been informed that there is no objection to the three ships calling at American ports for the purposes indicated in accordance with the schedule communicated by the Japanese Embassy, as follows: one vessel leaving Yokohama October 15, due at San Francisco October 30; one vessel leaving Yokohama October 20, due at Seattle November 1; one vessel leaving Yokohama October 22, due at Honolulu November 1.

## American Republics

### VISIT TO THE UNITED STATES OF ARGENTINE DEPUTIES

[Released to the press October 7]

On the invitation of the Honorable Sam Rayburn, Speaker of the House of Representatives, the President of the Chamber of Deputies of the Argentine Republic, Señor Don José Luis Cantilo, and nine other Deputies, accompanied by their wives and children, will arrive on board

the steamship *Brazil*, New York Harbor, on October 20 for a visit of three weeks. The Honorable Sol Bloom, Chairman of the Foreign Affairs Committee of the House of Representatives, is in charge of the arrangements for the visit, and the Department of State is working in concert with him regarding the plans therefor.

The Deputies will proceed directly to Washington, where they will remain for four days and be received by high officials of the American Government. Among the functions planned for the visit are an evening reception at the Pan American Union, given by the Speaker of the House, a reception at the Argentine Embassy, given by the Ambassador and Señora Espil, and a cocktail party given by the Coordinator of Inter-American Affairs and Mrs. Nelson Rockefeller. As guests of the Department of State, they will attend the Philadelphia Orchestra concert at Constitution Hall on October 21. A program of luncheons, dinners, and sightseeing, including visits to Mount Vernon, Arlington, the National Gallery, the Capitol, the Supreme Court, the Library of Congress, the Federal Bureau of Investigation, and other points of interest, has been planned.

Following the visit in Washington, the Deputies have been invited to visit Williamsburg, Virginia, as the guests of the Williamsburg Corporation. They will spend a week in New York before sailing on November 8, and prior to this final week will visit industrial and educational centers in the Midwest and East. The Deputies have expressed an interest in seeing the work being done in our national-defense industries and have been invited to Detroit and Buffalo to visit factories at these points.

The names of the Deputies follow:

Señor Don José Luis Cantilo  
 Señor Don Armando G. Antille  
 Señor Don Juan I. Cooke  
 Señor Don Nicanor Costa Méndez  
 Señor Don Raúl Damonte Taborda  
 Señor Don Alejandro Gancedo  
 Señor Don Americo Ghioldi  
 Señor Don Adolfo Lanus  
 Señor Don Fernando de Prat Gay  
 Señor Don Juan Simón Padrós

Señor Don Americo Peretti, official of the Chamber of Deputies, is secretary of the delegation.

## International Conferences, Commissions, Etc.

### EIGHTH PAN AMERICAN CHILD CONGRESS

[Released to the press October 11]

The Organizing Committee of the Eighth Pan American Child Congress, which was appointed by the Secretary of State to develop plans for the Congress, has held its second meeting and has approved a suggestion that the Congress be held from May 2 to May 9, 1942 instead of March 28 to April 4, 1942 as previously announced.<sup>2</sup>

Child Health Day will be celebrated May 1, inaugurating Child Health Week. The Departments of State and Labor and the Organizing Committee feel that the newly selected dates for the Congress are particularly appropriate for a continental meeting devoted to interests of children. The officials of the American International Institute for the Protection of Childhood in Montevideo have agreed to this change of dates.

Reports received at the time of the recent meeting of the Organizing Committee indicate that replies to the invitation extended to the other American republics to participate in the Congress already have been received from Brazil, Colombia, Cuba, El Salvador, Guatemala, Haiti, Mexico, Panama, Paraguay, and Venezuela.

Miss Katharine F. Lenroot, Chief of the Children's Bureau, Department of Labor, and United States member of the International Council of the American International Institute for the Protection of Childhood of Montevideo, is Chairman of the Organizing Committee of the Congress.

<sup>2</sup> See *Bulletin* of May 3, 1941, p. 533, and May 24, 1941, p. 639.



The other members are:

William G. Carr, Ph.D., Associate Secretary, National Education Association, Washington, D.C.

Henry F. Helmholz, M.D., Professor of Pediatrics, Mayo Foundation of the University of Minnesota, Rochester, Minn.

Warren Kelchner, Ph.D., Chief, Division of International Conferences, Department of State, Washington, D.C.

The Reverend Bryan J. McEntegart, President, National Conference of Catholic Charities, New York, N.Y.

Mrs. Elisabeth Shirley Enochs, Office of the Chief, Children's Bureau, Department of Labor, Washington, D.C., *Secretary of the Committee.*

## FIFTH CONGRESS OF THE POSTAL UNION OF THE AMERICAS AND SPAIN

The Fifth Congress of the Postal Union of the Americas and Spain, which was to have convened at Rio de Janeiro, Brazil, on September 1, 1941 (see the *Bulletin* of July 26, 1941), has been postponed at the instance of the Government of Brazil. New dates for holding the Congress have not yet been announced.

## The Department

### CHANGES IN ORGANIZATION OF THE DEPARTMENT

#### BOARD OF ECONOMIC OPERATIONS

DEPARTMENTAL ORDER 973, OCTOBER 7, 1941

There is hereby created in the Department of State a Board of Economic Operations, the members of which shall be Assistant Secretaries of State Acheson and Berle, the Adviser on International Economic Affairs, Dr. Herbert Feis, the Special Assistant to the Secretary of State, Dr. Leo Pasvolksy, and the Chiefs, or in their absence, the Acting Chiefs of the following divisions: Commercial Policy and Agreements, Exports and Defense Aid, Defense Materials, Studies and Statistics, World Trade Intelligence, and Foreign Funds and Financial Division.

Assistant Secretary of State Acheson shall be Chairman of the Board and Assistant Secretary of State Berle and the Adviser on International Economic Affairs shall be Vice Chairmen. The latter, in addition to his present duties, shall be Adviser to the Board; the Executive Secretary and the constituent Divisions of the Board shall keep him informed and shall appropriately seek his advice.

It shall be the duty of the Board, in order most effectively to carry out the Department's functions in connection with the economic defense of the United States, under the supervision of Assistant Secretary of State Acheson, to assist in formulating policies and to coordinate the activities of the various Divisions of which the Board is composed.

Mr. Emilio G. Collado is hereby designated as Executive Secretary of the Board and Mr. Jack C. Corbett is designated as Assistant Executive Secretary. In their respective capacities these officers shall prepare agenda for meetings of the Board and shall maintain minutes of such meetings. Under the direction of the Chairman and in behalf of the Board, they shall assist in correlating the policies and activities of the Divisions represented in the Board and in assuring effective liaison with other interested departments and agencies of the Government, and may sign communications. Communications for the signature or consideration of the Chairman or Vice Chairmen of the Board shall pass through the secretariat.



The symbol of the Board of Economic Operations shall be EO.

The provisions of this Order shall be effective as of October 8, 1941, and shall supersede the provisions of any existing Order in conflict therewith.

#### SPECIAL ASSISTANT TO THE UNDER SECRETARY OF STATE

DEPARTMENTAL ORDER 974, OCTOBER 7, 1941

In addition to his duties as Executive Secretary of the Board of Economic Operations, Mr. Emilio G. Collado is hereby designated a Special Assistant to the Under Secretary of State and will perform such duties as may be assigned him in that capacity, effective immediately.

#### DIVISION OF COMMERCIAL POLICY AND AGREEMENTS

DEPARTMENTAL ORDER 975, OCTOBER 7, 1941

Henceforth the Division of Commercial Treaties and Agreements shall be known as the Division of Commercial Policy and Agreements, which is hereby established to have general charge of the formulation, negotiation and administration of all commercial treaties and agreements having to do with the international commercial relations of the United States, as well as matters of tariff, general trade and other questions relating to the international commercial policy of the United States.

The new Division, under the general supervision of Assistant Secretary of State Acheson, shall operate as a component part of the Board of Economic Operations and shall have general responsibility for the Department's correspondence and contacts with the American export-import interests, with our representatives abroad, and with representatives of foreign governments in this country in regard to the negotiation, interpretation and enforcement of the terms of commercial treaties and agreements and problems relating to American foreign commerce.

Mr. Harry C. Hawkins is designated Chief of the Division of Commercial Policy and

Agreements and Mr. William C. Fowler, Mr. John C. Ross and Mr. Robert M. Carr are designated Assistant Chiefs. The symbol of this Division shall be TA.

The provisions of this Order shall be effective on October 8, 1941, and shall supersede the provisions of any existing Order in conflict therewith.

#### DIVISION OF EXPORTS AND DEFENSE AID

DEPARTMENTAL ORDER 976, OCTOBER 7, 1941

There is hereby created a Division of Exports and Defense Aid, which shall operate as a component part of the Board of Economic Operations of the Department under the general supervision of Assistant Secretary of State Acheson. This Division shall have responsibility for all matters of foreign policy involved in the administration of the Act of July 2, 1940, (the Export Control Act), the Act of March 11, 1941, (the Lend-Lease Act), the Acts of June 28, 1940 and May 31, 1941, (in so far as priorities or allocations for export are concerned), and for the administration of Sec. 12 of the Act of November 4, 1939, (the Neutrality Act), the Act of September 1, 1937, (the Helium Act), and the Act of February 15, 1936, (the Tin Plate Scrap Act). The Division of Exports and Defense Aid shall have responsibility in matters under its control for dealing with the Department's correspondence and contacts with our representatives abroad and with representatives of foreign governments in this country, and through the Board of Economic Operations will collaborate with the geographical and other Divisions concerning the formulation and coordination of policy, and shall establish and maintain effective liaison with other Departments and agencies of the Government, concerned with the administration of the above-mentioned Acts.

Mr. Charles Bunn, Special Assistant to the Under Secretary of State, in addition to such other duties as may be assigned to him, is designated Acting Chief of the Division of Exports and Defense Aid and Mr. Charles Yost is desig-

nated Assistant Chief of the new Division, effective October 8, 1941. The symbol of the Division of Exports and Defense Aid shall be DE.

The provisions of this Order shall supersede the provisions of any existing Order in conflict therewith.

#### DIVISION OF DEFENSE MATERIALS

##### DEPARTMENTAL ORDER 977, OCTOBER 7, 1941

In addition to such other duties as may be assigned to him as Special Assistant to the Secretary, Mr. Thomas K. Finletter is designated as Acting Chief of the Division of Defense Materials, which is hereby established effective October 8, 1941. This Division shall be a component part of the Board of Economic Operations and operate under the general supervision of Assistant Secretary of State Acheson. Mr. Finletter shall have responsibility in the formulation and execution of policies in the field of defense materials, in collaboration with the interested Divisions and Offices of the Department. Together with the Adviser on International Economic Affairs, he shall establish and maintain effective liaison with other interested departments and agencies of the Government concerned with these matters. The symbol of this Division shall be DM.

#### DIVISION OF STUDIES AND STATISTICS

##### DEPARTMENTAL ORDER 978, OCTOBER 7, 1941

There is hereby established, as a component part of the Board of Economic Operations to operate under the joint supervision of Assistant Secretaries of State Berle and Acheson, a Division of Studies and Statistics, which shall have responsibility, in collaboration with the interested Divisions and Offices of the Department, for the preparation of current studies, analyses and statistical data needed in connection with matters arising before the Board of Economic Operations or as may be required by any of the Divisions of which it is composed in con-

nection with policy considerations and national defense activities. Nothing in this Order shall be construed as modifying Departmental Order No. 917-A of February 3, 1941.

In addition to such other duties and responsibilities as may be assigned to him as Special Assistant to the Secretary, Mr. Lynn Edminster shall assume responsibility as Acting Chief of the Division of Studies and Statistics effective October 8, 1941. The symbol of this Division shall be ST.

The provisions of this Order shall supersede the provisions of any existing Order in conflict therewith.

#### DIVISION OF WORLD TRADE INTELLIGENCE

##### DEPARTMENTAL ORDER 979, OCTOBER 7, 1941

Departmental Order 956, which established in the Department of State a Division of World Trade Intelligence, is hereby amended to provide that this Division operate as a component part of the Board of Economic Operations under the general supervision of Assistant Secretary of State Acheson.

The provisions of this Order shall be effective as of October 8, 1941 and shall supersede the provisions of any existing Order in conflict therewith.

#### FOREIGN FUNDS AND FINANCIAL DIVISION

##### DEPARTMENTAL ORDER 980, OCTOBER 7, 1941

There is hereby created a Foreign Funds and Financial Division which shall serve as a component part of the Board of Economic Operations under the general supervision of Assistant Secretary of State Berle.

Mr. Frederick Livesey is designated Assistant and Acting Chief of the Foreign Funds and Financial Division. Mr. Adrian Fisher is designated Assistant Chief in charge of foreign funds control.

This Division shall have responsibility in all matters of foreign policy in foreign funds control and other financial matters, as well as re-

sponsibility for establishing and maintaining effective liaison with other interested departments and agencies of the Government concerned with these matters.

When problems of foreign funds control or other fiscal operational problems directly affect the fields of commerce or defense the Division shall report to Assistant Secretary of State Acheson.

The symbol of the Division shall be FF.

The provisions of this Order shall supersede the provisions of any existing Order in conflict therewith and become effective October 8, 1941.

#### DIVISION OF CONTROLS ABOLISHED

DEPARTMENTAL ORDER 981, OCTOBER 7, 1941

The Red, White and Blue License Unit of the former Division of Controls, which is hereby abolished, is transferred to the newly created Division of Exports and Defense Aid. That portion of the Registration Unit of the Division of Controls concerned with registration of agents of alien principals is transferred to the Division of Foreign Activity Correlation, and that portion of the Registration Unit concerned with funds for relief is transferred to the Special Division. The Statistical Unit of the Division of Controls is transferred to the Division of Studies and Statistics.

The Division of Personnel Supervision and Management will take the necessary action to effect the transfer and classification of affected personnel and their equipment.

The provisions of this Order shall be effective on October 8, 1941, and shall supersede the provisions of any existing Order in conflict therewith.

#### SPECIAL ASSISTANT TO THE SECRETARY OF STATE AND CHIEF OF THE SPECIAL DIVISION

DEPARTMENTAL ORDER 982, OCTOBER 7, 1941

Mr. Joseph C. Green has been appointed a Special Assistant to the Secretary of State and, in addition to such duties as may be assigned to him by the Secretary of State, he is design-

nated as Chief of the Special Division effective October 8, 1941.

The provisions of this Order shall supersede the provisions of any existing Order in conflict therewith.

#### CARIBBEAN OFFICE

DEPARTMENTAL ORDER 984, OCTOBER 9, 1941

For the purpose of encouraging and strengthening social and economic cooperation between the United States of America and its possessions and bases in the area known geographically or politically as the Caribbean, and other countries, colonies and possessions in this area, it is hereby ordered that there shall be established in the Department of State a Caribbean Office.

The Office will be subordinate to the Division of the American Republics and the Division of European Affairs with respect to all matters in which those Divisions are primarily responsible. With regard to such matters as are not of primary concern to those Divisions and which relate to the interplay between the countries, colonies and possessions in the Caribbean area of social and economic conditions, the Office will have original jurisdiction but its activities will be subject to the review of the two aforementioned geographical divisions. It will assist in the preparation and interpretation of treaties and agreements in this field. It will supervise the formulation of regulations and procedure necessary for the fulfillment of such treaties and agreements. It will draft or review correspondence with foreign governments, American diplomatic and consular offices and all other correspondence pertaining to these activities. It will collaborate with other departments and agencies, particularly those having jurisdiction in the fields of labor, agriculture, housing, health, education, finance, trade relations and tariffs. It will cooperate with other economic, educational and labor agencies and foreign missions in Washington.

The Caribbean Office will function under the general supervision of U.

The symbol designation of the Office shall be CB.



Mr. Coert du Bois, Foreign Service Officer, Class I, has been appointed Chief of the Caribbean Office.

The Division of Personnel Supervision and Management will provide the necessary clerical assistance and equipment for the new Office, within the limits of appropriated funds.

The provisions of this Order shall be effective on October 9, 1941 and shall supersede the provisions of any existing Order in conflict therewith.

#### LIAISON DUTIES OF DIVISION OF CURRENT INFORMATION

DEPARTMENTAL ORDER 985, OCTOBER 9, 1941

In addition to its present duties, the Division of Current Information is hereby charged with the establishment and maintenance of effective liaison with all agencies of the Government concerned with the collection and dissemination of information in which the Department of State has an interest. It will enlist the collaboration of all interested divisions of the Department and in particular the geographical divisions and the Division of Cultural Relations. These latter divisions shall each designate a representative to assume full-time duties with the Division of Current Information.

Mr. Robert T. Pell is hereby designated Acting Assistant Chief to assist Mr. Michael J. McDermott, Chief of the Division of Current Information, in this new field of authority.

This Order shall be effective on October 10, 1941.

#### OFFICE OF THE GEOGRAPHER

DEPARTMENTAL ORDER 972, OCTOBER 7, 1941

As a result of the growth of its activities, particularly in the field of geographic research and mapping necessary in the proper appraisal of problems in the field of international relations, the Office of the Geographer is hereby established as an independent office and shall function under the supervision of the Assistant Secretary and Budget Officer. The office designation shall continue to be Ge.

The provisions of this Order supersede and cancel the provisions of any existing Order in conflict therewith.

#### APPOINTMENT OF OFFICERS

DEPARTMENTAL ORDER 969, SEPTEMBER 23, 1941

Mr. Leo D. Sturgeon, a Foreign Service Officer of Class IV, has been designated an Assistant to Assistant Secretary of State, Mr. Long, effective as of September 15, 1941. He will act as consultant on matters relating to international fisheries.

DEPARTMENTAL ORDER 971, OCTOBER 1, 1941

Mr. Robert Lacy Smyth, a Foreign Service Officer of Class IV, is hereby designated an Assistant Chief of the Division of Far Eastern Affairs, effective as of September 26, 1941.

DEPARTMENTAL ORDER 983, OCTOBER 9, 1941

Mr. William L. Schurz is hereby designated an Acting Assistant Chief of the Division of Cultural Relations, effective on this date.

## The Foreign Service

### FOREIGN SERVICE AUXILIARY

Appointments totaling approximately 60 officers and 100 clerks have been made to positions in a branch of the Foreign Service referred to as the Foreign Service Auxiliary, which has been established to fill the need for additional help in American missions and consular establishments, principally in the other American republics. This need arises both from a very considerable expansion of the regular activities of the Foreign Service and from the imposition upon it of certain additional duties of an emergency nature for which the Service is not normally sufficiently staffed. Appointees will be under the direction and supervision of the officer in charge of the American Foreign Service post at which they are stationed.

Appointments are of a temporary nature, for the period of the emergency only, funds being available from the President's emergency appropriation only up to and including June 30, 1942. Should the emergency which occasions the present action be prolonged beyond that date, it may be necessary to continue the services of these special assistants accordingly.

Part of this auxiliary personnel performs responsible and technical work in the field of economies, particularly economic problems growing out of wartime conditions, involving investigation of and reporting on such matters as the following: Movements of vessels and cargoes; problems relating to export control in the United States and the essential economic needs of the foreign country concerned; information relating to the determination of priorities; problems connected with the proclaimed list of certain blocked nationals; availability of strategic raw materials and terms and conditions for procur-

ing them; development projects financed by the Export-Import Bank; and in general all problems of an economic character having direct bearing on the current emergency. A limited number of economic analysts have been appointed exclusively for agricultural reporting.

Another group of officers is primarily responsible for the development and maintenance of friendly relations with cultural leaders in the country in which they are stationed. They are concerned with such matters as the exchange of professors and students; the distribution and exhibition of motion-picture films; arrangements for visits of officials or distinguished citizens between the United States and the foreign country in which the officer is stationed; the cultural activities of the Coordinator of Inter-American Affairs; and liaison with local cultural and scientific institutions. They are expected to report on all of these matters and to submit recommendations regarding ways and means for improving the program of cultural relations.

Included in the number of 60 officers is a group of non-career vice consuls, composed of younger men, whose duties are of a general nature.

The duties of any one of the officers will not necessarily be restricted to any one of the above descriptions; as they progress in experience and become more adapted to the work of the offices to which they are assigned, it is to be expected that they may be called upon to perform duties of other character for which they are qualified.

In all cases, members of the Foreign Service Auxiliary will be granted allowances for rent,

light, and heat on the same scale as members of the regular Foreign Service. The expenses of the transportation of themselves, their families, and their effects to and from their posts is authorized in accordance with the provisions of the Travel Regulations.

### PERSONNEL CHANGES

The nomination of Arthur Bliss Lane to be Envoy Extraordinary and Plenipotentiary of the United States of America to Costa Rica was confirmed by the Senate on October 9, 1941. Mr. Lane was formerly Minister to Yugoslavia.

[Released to the press October 11]

The following changes have occurred in the American Foreign Service since October 4, 1941:

#### CAREER OFFICERS

Thomas M. Wilson, of Memphis, Tenn., Consul General at Calcutta, India, has been designated Commissioner of the United States of America at New Delhi, India.

Lester L. Schnare, of Macon, Ga., who has been serving as Consul at Milan, Italy, has been assigned as Consul at Rangoon, Burma.

The assignment of Dayle C. McDonough, of Kansas City, Mo., as Consul General at Keijo, Chosen, has been canceled. In lieu thereof, Mr. McDonough has been designated First Secretary of Embassy and Consul General at Santiago, Chile, and will serve in dual capacity.

Fayette J. Flexer, of Joliet, Ill., First Secretary of Embassy and Consul at Santiago, Chile, has been assigned as Consul at Dakar, French West Africa.

Burton Y. Berry, of Fowler, Ind., who has been serving as Second Secretary of Legation and Consul at Athens, Greece, has been desig-

nated Second Secretary of Embassy at Rome, Italy.

The assignment of Archer Woodford, of Paris, Ky., as Consul at Calcutta, India, has been canceled. In lieu thereof, Mr. Woodford has been assigned as Consul at Bombay, India.

Knowlton V. Hicks, of New York, N. Y., Consul at Halifax, Nova Scotia, Canada, has been assigned for duty in the Department of State.

Elizabeth Humes, of Memphis, Tenn., Foreign Service Officer at Copenhagen, Denmark, has been designated Second Secretary of Legation at Copenhagen, Denmark.

Roswell C. Beverstock, of Los Angeles, Calif., Vice Consul at Belfast, Northern Ireland, has been assigned as Vice Consul at Caracas, Venezuela.

The assignment of Sherburne Dillingham, of Millburn, New Jersey, as Vice Consul at Habana, Cuba, has been canceled. In lieu thereof, Mr. Dillingham has been designated Third Secretary of Embassy at Caracas, Venezuela.

#### NON-CAREER OFFICERS

Alexander Heard, of Washington, D. C., has been appointed Vice Consul at Quito, Ecuador.

Robert B. Harley, of Lansdowne, Pa., has been appointed Vice Consul at Pernambuco, Brazil.

Glenn R. McCarty, Jr., of Des Moines, Iowa, has been appointed Vice Consul at Bogotá, Colombia.

Alfred W. Wells, of Brewster, N. Y., has been appointed Vice Consul at Buenos Aires, Argentina.

Philip G. Cottell, of Louisville, Ky., has been appointed Vice Consul at Guayaquil, Ecuador.

Herman Moss, of New York, N. Y., who has been serving as Vice Consul at Genoa, Italy, has been appointed as Clerk at Rome, Italy.



## Treaty Information

Compiled in the Treaty Division

### FLORA AND FAUNA

#### CONVENTIONS WITH CANADA AND MEXICO REGARDING MIGRATORY BIRDS

On October 1, 1941 the President, under the authority granted in the Migratory Bird Treaty Act of July 3, 1918, approved and proclaimed the regulation submitted to him by the Secretary of the Interior designating as closed area certain lands and waters in Harney County, Oregon.

The proclamation, which concerns the migratory birds included in the Convention for the Protection of Migratory Birds Between the United States and Great Britain, signed in respect of Canada on August 16, 1916 (Treaty Series 628), and in the Convention for the Protection of Migratory Birds and Game Mammals Between the United States and Mexico, signed February 7, 1936 (Treaty Series 912), is printed in the *Federal Register* for October 4, 1941, page 5053.

#### CONVENTION ON NATURE PROTECTION AND WILDLIFE PRESERVATION IN THE WESTERN HEMISPHERE

##### *Cuba*

The Director General of the Pan American Union transmitted to the Secretary of State with a letter dated September 30, 1941 certified copies of the list of species furnished to the Pan American Union by the Government of Cuba for inclusion in the Annex to the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere, which was opened for signature at the Pan American Union on October 12, 1940.

The convention has been signed by the United States of America, Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Mexico, Nicaragua, Peru, Uruguay, and Venezuela. Two countries have deposited in-

struments of ratification of the convention, the United States of America and Guatemala. The convention will enter into force three months after the deposit of not less than five ratifications with the Pan American Union.

### INDIAN AFFAIRS

#### CONVENTION PROVIDING FOR THE CREATION OF AN INTER-AMERICAN INDIAN INSTITUTE

##### *Paraguay*

By a note dated August 18, 1941 the Mexican Ambassador at Washington informed the Secretary of State that the notice of the adherence by Paraguay to the Convention Providing for the Creation of an Inter-American Indian Institute, opened for signature at Mexico City on November 1, 1940, was received by the Mexican Government on June 17, 1941.

The convention has been ratified by the United States of America, El Salvador, Honduras, and Mexico, and has been adhered to by Nicaragua, Panama, and Paraguay.

### LEGAL ASSISTANCE

#### PROTOCOL ON UNIFORMITY OF POWERS OF ATTORNEY WHICH ARE TO BE UTILIZED ABROAD

##### *United States*

On October 3, 1941 the Secretary of State signed *ad referendum* on behalf of the United States the Protocol on Uniformity of Powers of Attorney which was opened for signature at the Pan American Union on February 17, 1940.

The protocol has for its purpose the simplification and uniformity of powers of attorney which are granted in one American republic for utilization in another member country of the Pan American Union. The protocol does not change the laws of the contracting states so far as they regulate powers of attorney executed and utilized in a country itself but merely

affects those powers of attorney which are prepared in one republic for use in another. It is stipulated that the powers of attorney granted in any of the member countries of the Pan American Union which are executed in conformity with the rules of the protocol shall be given "full faith and credit" in the other countries. Special rules of legalization are not, however, dispensed with.

The United States is the eighth country to sign the protocol, the other signatories being Bolivia *ad referendum*, Brazil, Colombia *ad referendum*, El Salvador *ad referendum*, Nicaragua *ad referendum*, Panama *ad referendum*, and Venezuela.

The protocol exemplifies one of the methods by which the Pan American movement operates to remove obstacles to trade, commerce, and interchange between the American republics which result from the existence of different legal systems. The protocol grew out of a resolution approved in 1933 at Montevideo by the Seventh International Conference of American States.

Article XII of the protocol provides that it shall become operative in respect of each high contracting party on the date of signature by such party. Any state desiring to sign the protocol *ad referendum* may do so, in which case it shall not take effect with respect to such state until after the deposit of the instrument of ratification in conformity with its constitutional procedure.

The text of the protocol is printed in the *Bulletin* of March 9, 1940, page 287.

### MUTUAL GUARANTIES

#### PROTOCOL BETWEEN JAPAN AND FRANCE REGARDING THE JOINT DEFENSE OF FRENCH INDO-CHINA

There is printed below a translation, as prepared by the American Embassy at Tokyo, of the Franco-Japanese protocol signed at Vichy, France, on July 29, 1941, regarding the joint defense of French Indo-China:

#### PROTOCOL BETWEEN JAPAN AND FRANCE REGARDING THE JOINT DEFENSE OF FRENCH INDO-CHINA

The Imperial Japanese Government and the French Government,

Taking into consideration the present international situation;

Recognizing in consequence that should the security of French Indo-China be menaced, Japan would have reason to consider the general tranquillity in East Asia and its own security endangered.

Renewing on this occasion the engagements undertaken, on the part of Japan to respect the rights and interests of France in East Asia, in particular, the territorial integrity of French Indo-China, and the sovereign rights of France in all parts of the Union of Indo-China, and on the part of France to conclude in regard to Indo-China no agreement or understanding with a third power which envisages political, economic, or military cooperation of a character directly or indirectly opposed to Japan;

Have agreed upon the following dispositions:

1. The two Governments promise to cooperate in military matters for the defense of French Indo-China.
2. The measures to be taken for the purposes of the aforesaid cooperation shall constitute the object of special arrangements.
3. The foregoing dispositions shall remain in effect only so long as the circumstances motivating their adoption continue to exist.

In witness thereof the undersigned, duly authorized by their respective Governments, have signed the present protocol, which enters into effect from this day, and have affixed their seals thereto.

Executed in duplicate, in the Japanese and French languages, at Vichy, July 29 of the 16th year of Showa, corresponding to July 29, 1941.

SOTOMATSU KATO [SEAL]

F. DARLAN [SEAL]

## POSTAL

## UNIVERSAL POSTAL CONVENTION OF 1939

By a note dated October 3, 1941 the Swiss Minister at Washington informed the Secretary of State that the Legation of Slovakia at Bern informed the Government of the Swiss Confederation by a communication dated August 5, 1941 of the adherence of Slovakia to the Universal Postal Convention signed at Buenos Aires on May 23, 1939 and to the following arrangements signed on the same date:

- Arrangement Concerning Insured Letters and Boxes
- Arrangement Concerning Parcel Post
- Arrangement Concerning Money Orders
- Arrangement Concerning Postal Checks
- Arrangement Concerning Collection Orders
- Arrangement Concerning Subscriptions to Newspapers and Periodicals

The Minister enclosed with the above-mentioned note a copy of the notification (No. 1071/41) from the Slovak Legation, which reads in translation as follows:

"The Legation of the Slovak Republic has the honor to advise the Federal Political Department of the following, requesting it to be good enough to take the necessary steps.

"Since June 17, 1939, the Slovak Republic has adhered to the Universal Postal Convention, but as it was not represented at the Congress or Buenos Aires, its adherence to the convention should have been notified to the Government of the Argentine Republic before July 1, 1940, which it was impossible to do in time.

"According to article 2 of the agreement of Buenos Aires, notification must be given, in such case, to the Swiss Federal Government, and the said Government shall undertake to advise the other Governments which adhere to the convention.

"By order of the Slovak Government, the Legation of the Slovak Republic has the honor to transmit to the Federal Political Department the document pertaining to the adherence, with the request that it be good enough to make known its contents to the other governments concerned and to advise this Legation of the said notification.

"The Legation of the Slovak Republic hastens to thank the Federal Political Department and avails itself of this opportunity to renew to it the assurances of its high consideration."

## Publications

## DEPARTMENT OF STATE

Collection and Application of the Customs Revenues of the Dominican Republic: Convention Between the United States of America and the Dominican Republic Modifying the Convention of December 27, 1924, and exchanges of notes—Convention signed at Washington September 24, 1940; proclaimed by the President March 17, 1941. Treaty Series 965. 29 pp. 10¢.

## OTHER GOVERNMENT AGENCIES

The St. Lawrence Survey, Part III: Potential Traffic on the St. Lawrence Seaway. (Department of Commerce.) x, 342 pp., tables. 40¢.

International Reference Service, Vol. 1. (Department of Commerce: Bureau of Foreign and Domestic Commerce.) Paper, 5¢ single copy; \$6 a year.

41. Income and excess profits taxes in Australia. 13 pp.

42. Preparing shipments to Canada. 33 pp.

43. Economic conditions in Paraguay in 1940. 5 pp.

44. Economic conditions in Nicaragua in 1940. 6 pp.

Inter-American Maritime Conference, Washington, D. C., Nov. 25-Dec. 2, 1940: Report of delegates of the United States. (Maritime Commission.) xiv, 479 pp., illus., 2 pl. Free.

Brazil. [Foreign trade of Brazil for 1939 and 1940]. (Pan American Union.) [Foreign trade series no. 188.] cover title, 16 pp., illus. Paper, 5¢.

Guatemala. [Foreign trade of Guatemala for 1938 and 1939]. (Pan American Union.) [Foreign trade series no. 190.] cover title, 11 pp., illus. Paper, 5¢.

Nicaragua. [Foreign trade of Nicaragua for 1938 and 1939]. (Pan American Union.) [Foreign trade series no. 189.] cover title, 15 pp., illus. Paper, 5¢.

United States Imports From Asia, 1938-40: compilation of United States import statistics for all commodities imported principally from Asia, arranged according to relative importance of geographic regions of Asia as sources of supply. (Tariff Commission.) iv, 90 pp., 2 pl. [Processed.] Free.

Latin America as a Source of Strategic and Other Essential Materials: report on strategic and other essential materials, and their production and trade, with



special reference to Latin American countries and to the United States, under general provisions of Sec. 332, title 3, pt. 2, tariff act of 1930. 1941. (Tariff Commission.) [Report 144, 2d series.] ix, 397 pp., illus., 1 pl. Paper, 50¢.

## Legislation

Amending the Nationality Act of 1940 [to preserve the nationality of a naturalized wife, husband, or child under 21 years of age residing abroad with husband or wife a native-born national of the United States]. (H. Rept. 1240, 77th Cong., 1st sess., on H. R. 5554.) [Incorporates letter from the Acting Secretary of State dated July 30, 1941 in support of legislation, with suggested amendment.] 3 pp.

Defense of the Philippine Islands. (S. Rept. 700, 77th Cong., 1st sess., on S. 1929.) 4 pp.

Second Supplemental National Defense Appropriation Bill for 1942, Including Defense Aid (Lend-Lease) Appropriations:

Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, 77th Cong., 1st sess., September 23, 1941 [in-

cludes statements by Dean Acheson, Assistant Secretary of State, and Laurence Duggan, Adviser on Political Relations, Department of State, pp. 360-379]. ii, 461 pp.

H. Rept. 1230, 77th Cong., 1st sess., on H. R. 5788. 25 pp.

Arming of American-Flag Ships Engaged in Foreign Commerce: Message From the President of the United States Transmitting a Recommendation for the Repeal of Section 6 of the Act of November 4, 1930, Which Prohibits the Arming of American-Flag Ships Engaged in Foreign Commerce. (H. Doc., 404, 77th Cong., 1st sess.) 4 pp.

## Regulations

International Traffic in Arms: Amendment to the regulations of November 6, 1939. October 2, 1941. (Department of State.) 6 *Federal Register* 5085.

Transactions in Foreign Exchange: Regulations governing general licenses under Executive Order 8383, April 10, 1940, as amended, and regulations issued pursuant thereto. October 9, 1941. (Treasury Department.) 6 *Federal Register* 5180-5181.

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